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THIS IS UNEVALUATED INFORMATION

- On 15 October 1947 the North Korean Supreme People's Committee authorized establishment of the Choson Sangsa, Ltd., to be capitalized at two hundred million North Korean won and to be under the direct control of the Bureau of Trade of the Ministry of Commerce. The firm was to procure industrial and war materials to aid the economic and defense plans of the North Korean government. Until April 1951 the firm was staffed with a president, two vice-presidents, and trading, accounting, and executive departments. In April one hundred million North Korean won was added to the firm's capital base, and import, planning, and general affairs departments were opened.
- The firm's executive department, directed by vice-president CHONG Chae-tal (6774/0961/6671), has represented the North Korean Labor Party in the Choson Sangsa structure. In March 1952 all members of the executive department were members of the NKLP; this department could act independently of the rest of the company in executing party instructions. All other personnel and offices of Choson Sangsa conducted normal trading operations and were separate from any NKLP projects.
- Until the start of the Korean war Choson Sangsa traded with South Korea, Hong Kong, Dairen, Chefoo, and Japan. After 25 June 1950, with the South Korean and Hong Kong trade curtailed, the more competent Choson Sangsa trading officials went to Tientsin [REDACTED] to arrange for the purchase of [REDACTED] goods through Chinese Communist firms in Tientsin which had favorable commercial ties [REDACTED]. Goods purchased in Tientsin were being shipped through Manchuria.

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4. The prewar trade routes with South Korea included two sea channels and an over-land channel using the Chon'gong-ni (127-04, 38-01) (CT-3009) branch office as the principal base. On the west coast the Kaeju branch controlled sea shipments in and out of Inch'on and Map'o, Seoul. On the east coast the principal sea trading involved shipments between Wonsan and Chumunjin-up (128-48, 37-53) (DS-8292). Caustic soda and soap produced at the Hungnam plant and glacial acetic acid, paper, and opium produced at Kilchu (129-30, 40-58) (EA-2835) were exchanged 25X1 for raw rubber, automobile tires, and United States medicines.

5.

6. Prior to the Korean war the Minhung (3046/5281) Sangsa, organized under the direction of CH'OE Yong-kon (1508/6978/0256) and supported by the Choson Democratic Party (Choson Minchu Tang) traded principally between North Korea, Dairen, [REDACTED]

7. In order to restrict large scale foreign trading operations to Choson Sangsa and to avoid encouraging other firms to apply for a license authorizing foreign trade, Premier KIM Il-song did not permit Minhung Sangsa to trade in the foreign market when CH'OE sought to reestablish the firm. KIM denied a license to Minhung Sangsa. By March 1952 the restrictions on Minhung Sangsa had caused ill-feeling between this firm and Choson Sangsa.

8. In February 1952 KANG P'al (1203/0360), who was director of the business department of Minhung Sangsa before the Korean war, and KANG's brother-in-law, KIM On-to (6855/1750/1108), formerly director of the firm's accounting department, were unemployed and destitute. CH'OE has tried to reactivate the firm because of his close friendship with the two men.

[REDACTED] Comment. Hereafter, Chinese cable code numbers will be substituted for Chinese characters, in all disseminations from this office.

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